

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BUENOS 04505 182207Z

72

ACTION ARA-10

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /018 W

----- 068852

R 182045Z JUN 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 6945

USDOC WASHDC

LIMITED OFFICIAL USE BUENOS AIRES 4505

PASS TO NEWARK DISTRICT OFFICE - USDOC

E.O. 11652: N/A

TAGS: BDIS, AR

SUBJ: TRADE COMPLAINT - SWIFT DE LA PLATA

REF: A) BA-4053 B) USDOC 8567

1. SWIFT DE LA PLATA NOW REPORTS IT HAS RECEIVED TELEX FROM CONNELL RICE AND SUGAR CO PROPOSING THAT (1) SWIFT AGREE TO CANCELLATION OF PREVIOUS ORDERS TOTALING ABOUT \$800,000 AND RETURN TO CONNELL UNUSED LETTERS OF CREDIT WHICH HAVE NOW EXPIRED, (2) CONNELL WILL REORDER SAME CANNED MEAT PRODUCTS INCLUDED IN ORIGINAL ORDERS, BUT AT PRICES 20-40 PERCENT BELOW EARLIER PRICES, (3) SWIFT ACCEPT SIMILAR PRICE REDUCTION ON OTHER LARGE ORDERS WHICH ABOUT TO BE SHIPPED UNDER L/C WHICH STILL VALID, AND (4) SWIFT GRANT TO CONNELL EXCLUSIVE WORLD-WIDE USE OF A SWIFT-OWNED BRAND NAME FOR PERIOD OF 15 YEARS. TELEX STATES THAT THIS NOT TO BE CONSIDERED BINDING OFFER BY CONNELL.

2. SWIFT CONTENTS IT WAS PREPARED TO SHIP PRODUCTS COVERED BY EXPIRED L/CS IN ACCORD WITH ORIGINAL ORDER BUT WAS PREVENTED FROM DOING SO BY CONNELL'S FAILURE TO PROVIDE INFORMATION ON PART OF DESTINATION AND/OR BRAND LABEL FOR SHIPMENTS, WHICH, UNDER TERMS OF L/C, WERE TO BE DETERMINED BY BUYER. PRODUCTS COVERED BY EXPIRED L/CS NOW SAID TO BE HELD IN LOCAL WAREHOUSE. SWIFT AWARE THAT PRICE ALL CANNED MEAT PRODUCTS HAS FALLEN

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUENOS 04505 182207Z

SHAPRLY IN US, BUT MAINTAINS THAT CONNELL STILL BOUND TO HONOR

ALL ORDERS AT ORIGINAL PRICES. ALSO STATES THAT EXCLUSIVE RIGHT TO BRAND NAME, PARA 1 (4) ABOVE, WAS NEVER PART OF ANY PREVIOUS ORDER. SWIFT THEREFORE NOW QUESTIONING GOOD FAITH OF CONNELL IN THIS TRANSACTION, AND MENTIONED POSSIBILITY OF RESTORING TO COURT ACTION.

3. EMBASSY REALIZES ABOVE REPRESENTS ONLY ONE SIDE OF DISPUTE BUT NO OTHER INFORMATION AVAILABLE HERE RE CONNELL'S REASONS FOR NOT PROVIDING SHIPPING INFORMATION PRIOR TO EXPIRATION OF LAST L/C. ARGENTINA VERY SENSITIVE ABOUT DECLINE IN MEAT EXPORTS AND LOWER WORLD PRICES. THIS, COMBINED WITH SWIFT'S SPECIAL POSITION AS ONE OF COUNTRY'S LARGEST MEAT PACKING PLANT, FOREIGN-OWNED AND NOW UNDER GOVERNMENT ADMINISTRATION AS RESULT OF HIGHLY PUBLICIZED BANKRUPTCY CASE, COULD RESULT IN TRADE COMPLAINT SUCH AS THIS RECEIVING FAR GREATER PUBLICITY THAN IT DESERVES.

4. ACTION REQUESTED: WASHINGTON AGENCIES AND/OR USDOC OFFICE NEWARK REQUESTED INQUIRE RE BASIS FOR CONNELL'S REPORTED FAILURE PROVIDE NECESSARY LABELING AND SHIPPING INFORMATION BEFORE EXPIRATION L/C AND SUBSEQUENT PROPOSAL TO REDUCE PRICES ON ALL OUTSTANDING ORDERS FROM SWIFT.  
MONTLLOR

NOTE BY OC/T: NOT PASSED NEWARK DISTRICT OFFICE.

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** WorrelSW  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS04505  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740159-0173  
**From:** BUENOS AIRES  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740637/aaaabfip.tel  
**Line Count:** 85  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** A) BA-4053 B) USDOC 8567  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** WorrelSW  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <05 SEP 2002 by boyleja>; APPROVED <19 FEB 2003 by WorrelSW>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** TRADE COMPLAINT - SWIFT DE LA PLATA  
**TAGS:** BDIS, AR  
**To:** STATE COM  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005